

## Message Text

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22

ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-03

INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03 SP-02

CIEP-01 LAB-04 SIL-01 OMB-01 INT-05 GSA-01 STR-04

/065 W

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R 071938Z JUL 76

FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC 383

INFO AMCONSUL WINNIPEG

AMCONSUL TORONTO

LIMITED OFFICIAL USE OTTAWA 2749

E.O. 11652: N/A

TAGS: EMIN, ETRD, CA

SUBJ: SASKATCHEWAN POTASH

1. AMBASSADOR RECEIVED LETTER FROM RICHARD A. LENON, PRESIDENT OF IMC, COMMENTING ON RECENT LOWER PRICES FOR SASKATCHEWAN POTASH AND ENCLOSING LETTER LENON WROTE TO SASKATCHEWAN PREMIER BLAKENEY REGARDING GRAND JURY INDICTMENT OF IMC AND OTHER POTASH FIRMS ON PRICE AND OUTPUT FIXING.

2. FOLLOWING IS TEXT OF LENON LETTER TO AMBASSADOR:

"I AM SENDING ALONG A COPY OF MY LETTER TO MR. BLAKENEY.

"I THINK YOU ARE AWARE OF SHARP BREAKS IN THE PRICE ON EXPORTS OF SASKATCHEWAN POTASH. FOR SEVERAL MONTHS THERE HAS BEEN DISCOUNTING IN THE DOMESTIC MARKETS (PRIMARILY TO LARGE ACCOUNTS).

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"IT APPEARS NOW THAT THIS IS GOING ACROSS THE

BOARD TO ALL BUYERS, AND JUDGING BY PAST HISTORY,  
I WOULD EXPECT QUANTITY DISCOUNTING OFF THE NEW  
LIST. ACCORDINGLY, THE REVENUE TO SASKATCHEWAN IS  
GOING TO BE DRASTICALLY REDUCED.

"WE WILL ATTEMPT CALCULATIONS AND GET THEM TO  
YOU SOMETIME NEXT WEEK. CONSIDERING THE LOWER VOLUME  
PRODUCED LAST YEAR AND THE IMPACT OF PRICE CHANGES  
KNOWN TO DATE, IMC'S TAX PAYMENT IS GOING TO BE LOWER --  
IN THE RANGE OF \$30 MILLION. POLITICAL RAMIFICATIONS  
ARE OBVIOUS.

" I DEEPLY APPRECIATE YOUR CONTINUING ATTENTION  
TO THIS MATTER."

3. COPIES OF BOTH LETTERS BEING POUCHED EUR/CAN  
FOR BLAKEMORE.  
ENDERS

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** EXPORTS, PROVINCE, NATIONALIZATION, POTASSIUM, PRICE FIXING, POLITICAL SITUATION, TAXES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 07 JUL 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** BoyleJA  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976OTTAWA02749  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D760262-0860  
**From:** OTTAWA  
**Handling Restrictions:** n/a  
**Image Path:**  
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**Legacy Key:** link1976/newtext/t19760784/aaaacvoj.tel  
**Line Count:** 79  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EUR  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
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**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** BoyleJA  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 12 APR 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <12 APR 2004 by greeneet>; APPROVED <03 AUG 2004 by BoyleJA>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
04 MAY 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** SASKATCHEWAN POTASH  
**TAGS:** EMIN, ETRD, CA, (LENON, RICHARD A)  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006